

Message Text

PAGE 01 NATO 02433 032321Z

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ACTION EUR-25

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C O N F I D E N T I A L USNATO 2433

E.O. 11652: GDS
TAGS:MCAP, EFIN, GW, NATO
SUBJ: NAC MEETING MAY 3, AGENDA ITEM II: FINANCIAL PROBLEMS ARISING
FROM THE STATIONING OF US FORCES IN EUROPE

REFS: A) USNATO 2266; B) STATE 86752

SUMMARY: FOLLOWING STATEMENT BY AMB RUSMFELD ON US
VIEW OF CURRENT STATUS OF BURDENSARING EXERCISE, DE STAERCKE
(BELGIUM) SUPPORTED BY SYG LUNS AND HARGOGH (NETHERLANDS),
MADE APPEAL TO ALL ALLIES TO PARTICIPATE IN MULTILATERAL EFFORT
TO ADJUST US SHARE IN COMMON FUNDED PROGRAMS AND A SPECIAL
APPEAL TO FRANCE TO COOPERATE BY SUPPLYING DATA ON MILITARY
PROCUREMENT IN THE US. SYG LUNS SAID COUNCIL WOULD RETURN
TO QUESTION AT SUBSEQUENT MEETING AFTER REFLECTING ON WHAT MORE
CAN BE DONE TO PROVIDE THE MOST FORTHCOMING ALLIED RESPONSE TO
THE BURDENSARING PROBLEM. END SUMMARY

1. SYG LUNS OPENED DISCUSSION BY EXPLAINING SUBJECT HAS NOT
BEEN ON AGENDA IN RECENT WEEKS BECAUSE COUNCIL AWAITING SOME
INDICATION OF MAGNITUDE OF ALLIED MILITARY PROCUREMENT IN THE
US AND OUTCOME OF US/FRG AGREEMENT. HE NOTED THAT AMB
KRAPF, BY HIS LETTERS DISTRIBUTING THE AGREED PRESS COMMUNIQUE
AND THE TEXT OF THE AGREEMENT, HAD MADE COUNCIL AWARE OF
SUCCESSFUL OUTCOME OF BILATERAL AGREEMENT. HE INVITED US AND
CONFIDENTIAL

PAGE 02 NATO 02433 032321Z

FRG AMBS TO MAKE ANY SUPPLEMENTARY STATEMENTS THEY
WISHED.

2. RUSMFELD SAID HE HAD NOTHING TO ADD REGARDING THE BILATERAL

AGREEMENT CONCLUDED BETWEEN US AND FRG, BUT WOULD LIKE TO MAKE MORE GENERAL STATEMENT IN NATO-WIDE CONTEXT. RUMSFELD THEN PRESENTED US VIEW OF PRESENT STATUS BURDEN-SHARING EXERCISE (REFTELS). IN CONCLUDING HIS REMARKS, RUMSFELD EMPHASIZED THAT THE PROBLEM IS BROADER THAN MEETING SPECIFIC REQUIREMENTS OF THE JACKSON-NUNN AMENDMENT AND REMINDED THE COUNCIL THAT THE JACKSON-NUNN AMENDMENT ITSELF AROSE OUT OF THE BROADER PROBLEM OF GAINING SUPPORT FOR THE MAINTENANCE OF AN ADEQUATE US MILITARY PRESENCE IN EUROPE.

3. DE STAERCKE (BELGIUM) SAID HE WELCOMED THE US STATEMENT AND PARTICULARLY THE CALL FOR A MAXIMUM EFFORT ON THE PART OF THE EUROPEAN ALLIES TO DEMONSTRATE THEY ARE PREPARED TO DO EVERYTHING POSSIBLE TO PROVIDE AN EQUITABLE BURDEN OF THE COMMON DEFENSE. HE EXPRESSED THE HOPE THAT ALL ALLIES WOULD ACT IN A WAY TO ACHIEVE A SATISFACTORY OUTCOME TO THIS WHICH IS THE VERY MEAT OF ATLANTIC RELATIONS, AND OF WHICH THE JACKSON-NUNN AMENDMENT IS ONLY A LEGAL EXPRESSION. DE STAERCKE SAID ALLIES SHOULD CONCENTRATE NOW ON FULLY MEETING US DEFICIT. HE NOTED THE CONSULTATIONS NOW UNDERWAY BETWEEN A US TEAM FROM WASHINGTON AND OTHER DELS, AND SAID HE WAS HOPEFUL THAT AS DISCUSSIONS CONTINUE REGARDING PROCUREMENT THE DEFICIT CAN MORE THAN BE MET. IN DOING SO, HE APPEALED TO FRENCH COLLEAGUE TO COOPERATE BY PROVIDING DATA ON PROCUREMENT, WHICH HE UNDERSTOOD COULD BE AN IMPORTANT ELEMENT IN VIEW OF THE LARGE CONTENT OF US COMPONENTS IN FRENCH MILITARY EQUIPMENT. BEYOND MILITARY PROCUREMENT QUESTION, DE STAERCKE CALLED ATTENTION TO AMB RUMSFELD'S APPEAL FOR ADDITIONAL ACTION TO DEMONSTRATE THE EUROPEAN EFFORT FOR THE COMMON DEFENSE. IN THIS REGARD, HE SUGGESTED THAT QUESTION OF AN ADDITIONAL EFFORT IN THE FIELD OF COLLECTIVE BUDGET SHARES BE PUT ON THE AGENDA FOR A SUBSEQUENT COUNCIL MEETING. HE NOTED THAT FRG WILLINGNESS TO PARTICIPATE IN COLLECTIVE ADJUSTMENTS WOULD BE IMPORTANT AND SHOULD NOT BE DIFFICULT SINCE THE DOLLAR AMOUNTS INVOLVED ARE NOT LARGE. WITH FULL COOPERATION, THE ALLIANCE COULD DEMONSTRATE COLLECTIVE ACTION WHICH WOULD BE IMPORTANT TO THE US.

CONFIDENTIAL

PAGE 03 NATO 02433 032321Z

4. SYG LUNS SAID THAT HE INDEED INTENDED TO KEEP THE QUESTION ON THE AGENDA, AND THAT HE AGREED IT SHOULD NOT BE DIFFICULT FOR FRANCE TO COOPERATE TO THE EXTENT OF PROVIDING STATISTICS ON MILITARY PROCUREMENT. REGARDING A COLLECTIVE NATO EFFORT, LUNS SAID HE WAS ENCOURAGED BY INFO HE HAD RECEIVED THAT AFTER SIGNING THE US/FRG OFFSET AGREEMENT AMB HERMES HAD MADE A STATEMENT INCLUDING THE REMARK THAT BEYOND ITS BILATERAL AGREEMENT THE FRG IS PREPARED TO PARTICIPATE IN ADJUSTMENTS IN NATO INFRASTRUCTURE COST SHARES PROVIDED ALL OTHER ALLIES TAKE PART.

5. KRAPF (FRG) SAID THAT REPORTED STATEMENT OF AMB HERMES WAS ACCURATE DESCRIPTION OF MARGIN WITHIN WHICH FRG CAN

MOVE (I.E., PARTICIPATE IN RESTRUCTURING OF THE INFRASTRUCTURE PROGRAM), BUT THAT HE WOULD NOT RAISE ANY HOPE ANYTING ELSE CAN BE DONE.

6. HARTOGH (NETHERLANDS) SUPPORTED INTERVENTION OF DE STAERCKE CALLING FOR SOME MULTILATERAL ACTION ON PART OF EUROPEAN ALLIES AND ADDED THAT APPEAL WAS NOT ONLY TO FRG, BUT TO ITALY, UK, AND FRANCE, ALL OF WHOM HAVE FOUND DIFFICULTIES IN AGREEING TO ADJUSTMENTS IN COMMON-FUNDED PROGRAMS. HE ADDED THAT THE ECONOMIC SITUATION IN ITALY AND THE UK IS BAD, BUT THAT NEVERTHELESS A CONTINUING EFFORT SHOULD BE MADE BY EUROPEAN ALLIES.

7. DE ROSE (FRANCE) SAID HIS DEL HAS NOT PARTICIPATED IN THE STUDY GROUP ON BURDENSARING AND HE, PERSONALLY, WAS UNAWARE OF REQUESTS FOR FRENCHMILITARY DATA. HE SAID, NEVERHTELESS, HE WOULD REPORT REQUEST TO PARIS. DE ROSE THEN INQUIRED HOW THE CHANGING BALANCE OF PAYMENTS SITUATIONS OF ALLIANCE MEMBERS AFFECTED THE BURDENSARING EXERCISE. THAT IS, WHETHER CONCERN OF COUNCIL WAS LINKED ONLY TO THE JACKSON-NUNN AMENDMENT AND THIS YEAR, OR TO THE OVERALL BALANCE OF PAYMENTS SITUION IN THE US.

8. DE STAERCKE RESPONDED THAT TO AVOID MISUNDERSTANDING, NO COUNTRY HAD BEEN EXCLUDED FROM PARTICIPATION IN THE STUDY GROUP, AND THAT IT WAS CLEAR FROM PREVIOUS COUNCIL DISCUSSIONS THAT NATO'S ECONOMIC DIRECTOR LAULAN HAD BEEN ASKED TO ASSIST CONFIDENTIAL

PAGE 04 NATO 02433 032321Z

IN IDENTIFYING AND CODING MILITARY PROCUREMENT, THAT CONSULTATIONS HAD BEEN AND WERE BEING HELD WITH US AUTHORITIES, AND THAT OTHER ALLIES WERE SUPPLYING PROCUREMENT DATA. HE APPEALED TO FRANCE TO COOPERATE AT LEAST TO THIS EXTENT. DE STAERCKE ADDED THAT THE COUNCIL SHOULD NOT NECESSARILY ENGAGE IN A PERPETUAL EXERCISE ON THE BURDENSARING QUESTION, AND THAT THE IMMEDIATE CONCERN WAS TO MEET THE REQUIREMENTS OF JACKSON-NUNN. IT IS CLEAR, HE ADDED, THAT WITH CHANGING ECONOMIC CONDITIONS AND BALANCE OF PAYMENTS SITUATIONS, THE PICUTE MIGHT BE DIFFERENT A YEAR FROM NOW. FOR THE PRESENT THE COUNCIL SHOULD CONCENTRATE ON SOLVING AS COMPLETELY AS POSSIBLE THE IMMEDIATE PROBLEM.

9. SYG LUNS CONCLUDED BY SAYING THE COUNCIL WOULD RETURN TO THE QUESTION, AND THAT IN THE MEANTIME HE APPEALED TO ALL TO CONSIDER WHAT COULD BE DONE TO PROVIDE A FULL ALLIED RESPONSE TO THE US PROBLEM. RUMSFELD

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